



Brainstorm Internet
640 Main Ave #201
Durango, Colorado 81301
April 20, 2007

Michele Brooks &
Jonathan Claffey
USDA Rural Development
202-720-0810

Docket Number RUS-06-Agency-0052

Dear Mrs. Brooks:

Thank you for allowing Brainstorm Internet the opportunity to respond to the proposed rule changes on the Rural Broadband Access Loan and Loan guarantee program.

After review of these rule changes, we would like to comment on the following items:

1. Funds disbursement
2. State level influence in the decision process
3. Backhaul issues for CLEC and non ILEC carriers.
4. Proposed demographic determination policies

As a Colorado business, we are interested in seeing more funds dispensed to Colorado deployment opportunities. We would like to see that these funds are geared truly to last mile deployment to rural areas as intended and not for redundant networks or bolstering of existing ILEC infrastructure that will not directly affect true rural areas. WE believe that program should be more influenced by the "true" quality of the project rather than the financial standing of the party applying for the funds. It is apparent this is an issue when you are seeing loan amounts of upwards of \$10,000,000 and we can deploy to more than 18,000 rural customers for a tenth of that amount. The challenge is going to be "picking off" the last remote needs and this will not be accomplished by handing out large sums of money to single providers. As a rural player, it is not easy to understand that these opportunities exist and we do not have the legal departments to go and actively figure out how to best influence these decision makers hence my #2 point.

Allow the decisions to fall to state level decision makers who have a better understanding of what is needed to complete a rural deployment of broadband in their respective regions. This only makes sense as people from other states will not be as intimate nor have the time to research actual needs for these remote regions.

Maybe the monies can be leveraged to allow smaller more agile players a subsidy to pay for the backhaul needed to feed these remote regions as the ILEC's have this issue very tied up. Consider allowing backhaul fees to be covered by this and you will see a lot of movement in rural deployment.

Brainstorm Internet, Inc.

Finally, you propose to limit availability of funds to providers by determining an ILEC has a market saturated with coverage of 10% of households. This is a very dangerous in rural areas as a total population of some of our areas is 1000 people or less and it is not uncommon to have 100 homes within reach of the central office but that leaves 900 homes without service and the ILEC the ability to "sit" on that market until they feel compelled to build out facilities and that in most cases is never in our regions.

I encourage someone from your agency to truly learn what it takes to bring Broadband to rural areas and to see that these last markets will not be addressed by incumbents who have legal monopolies based on a 10% rule, but by small companies who are truly concerned about the well being of their neighbors and friends and will do what it takes to ensure the future of economic development in their own home towns.

Thank you for allowing me to comment, I would welcome a call or email about my comments.

Sincerely,

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